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EFFECTS OF LUNG-HAI RR ON LIFE IN NORTHWEST CHINA

Summary: Freight transport to and from the Northwest via the newly completed T'ien-shui -- Lan-chou line during October and November 1952, the first 2 months of operation, amounted to over 100,000 tons. The cheaper rail rates have relegated motor truck transport to feeder operations on secondary highways. The construction of the feeder lines is being extended with favorable effects on the life and economy of a wide area of which Lan-chou is the transportation and economic center.]

RAILWAY BRINGS LOWER FREIGHT RATES -- Peiping, Jen-min Jih-pao, 19 Feb 53

During the 55-day period following the opening of the T'ien-shui -- Lan-chou section on 1 October 1952, the Lung-Hai Railway carried 14 times as much freight between Sian and Lan-chou as the motor trucks operating between those points formerly averaged in 2 months. Heretofore, most of the goods has been moved to and from Lan-chou by motor truck, and three-fourths of all the motor trucks in the Northwest were engaged in trucking on the highway between Sian and Lan-chou. The high charges drastically restrained the outward flow of raw materials and the inward flow of food and manufactured articles. The effects of these high rates are indicated by the efforts made to avoid them. For example, borax, obtainable in Tsinghai and needed in Sian for industrial purposes, was first carried in carts to Lan-chou, then by raft or boat down the Yellow River to Pao-t'ou, and on to Peiping via the Peiping-Suiyuan Railway; then to Cheng-chou via the Peiping-Hankow Railway, and finally to Sian by the Lung-Hai Railway.

At present, the freight rates by rail to and from Lan-chou are only about one seventh those formerly charged by motor trucks. Finding it unprofitable to compete with the railway for through traffic, most of the trucks are now operating on secondary highways which serve as feeder lines for the railway. This has led to a marked expansion in trade. Numerous agents of commercial and industrial concerns of eastern China are now located in Lan-chou.

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The volume of freight shipments on the Lung-Hai Railway during the 55-day period following its opening, was as follows:

Sian to Lan-chou	57,746 tons
Lan-chou to Sian	44,500 tons

A comparison of charges for transport of certain goods by rail and motor truck, between T'ien-shui and Lan-chou shows the following:

	By Motor Truck (yuan)	By Rail (yuan)
One bag of flour	63,700	4,195
One ton of coal	610,000	93,560

Following the drop in transportation costs, the standard market prices in Lan-chou of industrial goods from other parts of the country decreased accordingly. On the other hand, the prices of native products in Lanchow have risen because there is now a ready market for them in other parts of the country.

In addition to construction work on the Lan-chou -- Sinkiang Railway which is now in progress, and the maintenance of existing motor roads, construction work has recently been completed, or is now in progress on the following highways:

Ting-hsi /104 26, 35 357 -- Hui-ning /104 52, 35 257; Lan-chou -- A-kan-chen /103 43, 35 567; Lin-hsia /103 03, 35 367 -- Hsia-ho /102 23, 35 257 (this connects Lan-chou with the important lamasery center of Labrang); Lan-chou -- Min-hsien /104 01, 34 297 (the native herbs center); and T'ien-shui -- Chang-chia-ch'uan /105 53, 34 577 (trade center for skins and hides). -- Liu Chao, staff writer

CHANGES CONDITIONS OF LIFE -- Canton, Nan-fang Jih-pao, 22 Jan 53

The total quantity of freight entering and leaving Lan-chou by the newly completed railway between 1 October and the end of November 1952 was approximately 100,000 tons. Before the completion of the railway, there were in all of the Northwest only about 2,000 motor trucks. If the 57,746 tons of freight carried by rail between Sian and Lan-chou during the 2-month period had been transported by motor trucks, a total of 1,470 five-ton trucks working day and night would have been required to complete the task within the same period.

The saving in transport costs is indicated by the following figures: The cost per ton for transporting edible salt from Lan-chou to T'ien-shui by truck was 763,000 yuan per ton; but by train, it is now 153,000 yuan per ton. From Lung-hsi to T'ien-shui the rate for transporting tang-kuei [a medicinal herb] by horse-drawn carts was 800,000 yuan per ton, and by train only 73,000 yuan per ton.

LOWERS TRANSPORT COSTS TO HSI-NING -- Sian, Ch'un-chung Jih-pao, 13 Nov 52

The following statement was made by a Tsinghai tradesman at a conference held in Sian, during the latter part of October 1952, to promote the exchange of goods between urban and rural areas.

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"Since the completion of the T'ien-shui -- Lan-chou railway, the cost of transporting goods from Sian to Hsi-ning, Tsinghai, has been greatly reduced. In the past it cost more than 2 million yuan per ton, but now only 1.3 million yuan per ton, since goods are carried by rail to Lan-chou and then by motor truck to Hsi-ning. Furthermore, the time for transport has been cut from 6 to 3 days. Before the railway was built, iron which cost only 4,200 yuan per catty in Sian cost us about 7,200 yuan per catty in Hsi-ning. Now the railway makes it possible for blacksmiths in Hsi-ning to procure iron at a much more reasonable cost, and to make and sell agricultural implements at prices which the peasants can afford to pay."

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